

HOUSE BILL 1182

C8, L6, Q8

0lr0813

By: **Delegates Ivey, Benson, Frush, McIntosh, Niemann, Pena-Melnyk, Ramirez, and Valderrama**

Introduced and read first time: February 17, 2010

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 24, 2010

CHAPTER _____

1 AN ACT concerning

2 **Business Improvement Districts**

3 FOR the purpose of authorizing a county or municipal corporation to create certain
4 business improvement districts; providing for the legislative purposes of a
5 district; requiring a county or municipal corporation to adopt certain ~~resolutions~~
6 local laws to provide for the creation, ~~organization, and alteration~~ and
7 organization of a district; providing for the governance of the business
8 improvement district corporation; providing that the net earnings of a district
9 corporation may benefit only the district corporation; authorizing a district
10 corporation to receive certain money, charge certain fees, have certain
11 employees, and use certain services; providing for the ~~application and~~ creation
12 of a district; requiring that before a district may be created a certain public
13 hearing must be held; ~~requiring the governing body of a county or municipal~~
14 ~~corporation to impose~~ providing for the imposition of a certain tax in a certain
15 manner under certain circumstances; providing for the expansion of a district;
16 ~~authorizing a district corporation, under certain circumstances, to issue certain~~
17 ~~bonds; requiring the governing body of a county or municipal corporation in~~
18 which a district is established to review and evaluate the desirability of
19 continuing the existence of a district at certain times and to develop policies and
20 procedures for evaluating the desirability or continuing the district under
21 certain circumstances; providing for the termination of a district and a district
22 corporation under certain circumstances; and generally relating to the
23 authorization and creation of business improvement districts and district
24 corporations.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to
2 Article – Economic Development
3 Section 12-401 through ~~12-412~~ 12-411 to be under the new subtitle “Subtitle 4.
4 Business Improvement Districts”
5 Annotated Code of Maryland
6 (2008 Volume and 2009 Supplement)

7 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
8 MARYLAND, That the Laws of Maryland read as follows:

9 **Article – Economic Development**

10 **SUBTITLE 4. BUSINESS IMPROVEMENT DISTRICTS.**

11 **12-401.**

12 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (B) “BOARD” MEANS THE BOARD OF DIRECTORS OF A DISTRICT
15 CORPORATION.

16 (C) “COMMERCIAL TENANT” MEANS A LESSEE OR OTHER LAWFUL
17 OCCUPANT, OTHER THAN THE OWNER, OF NONEXEMPT PROPERTY WITHIN A
18 DISTRICT.

19 (D) “DISTRICT” MEANS A BUSINESS IMPROVEMENT DISTRICT
20 ESTABLISHED UNDER THIS SUBTITLE.

21 (E) “DISTRICT CORPORATION” MEANS A BUSINESS IMPROVEMENT
22 DISTRICT CORPORATION FORMED IN ACCORDANCE WITH THIS SUBTITLE.

23 (F) “MEMBERS OF THE DISTRICT” MEANS OWNERS OF NONEXEMPT
24 PROPERTY IN THE DISTRICT.

25 (G) “NONEXEMPT PROPERTY” MEANS NONRESIDENTIAL REAL
26 PROPERTY THAT IS NOT EXEMPT FROM PAYING REAL PROPERTY TAXES.

27 **12-402.**

28 **THE LEGISLATIVE PURPOSES OF THIS SUBTITLE ARE TO:**

29 (1) PROVIDE FOR THE CREATION OF BUSINESS IMPROVEMENT
30 DISTRICTS; AND

1 (2) PROMOTE THE GENERAL WELFARE OF THE RESIDENTS,
2 EMPLOYERS, EMPLOYEES, PROPERTY OWNERS, COMMERCIAL TENANTS,
3 CONSUMERS, AND THE GENERAL PUBLIC WITHIN THE GEOGRAPHIC AREA OF
4 THE BUSINESS IMPROVEMENT DISTRICTS.

5 12-403.

6 (A) SUBJECT TO A PUBLIC HEARING UNDER ~~§ 12-409~~ § 12-408 OF THIS
7 SUBTITLE AND TO ACCOMPLISH ONE OR MORE OF THE LEGISLATIVE PURPOSES
8 LISTED IN § 12-402 OF THIS SUBTITLE, THE LEGISLATIVE BODY OF A COUNTY
9 OR MUNICIPAL CORPORATION MAY ADOPT A ~~RESOLUTION~~ LOCAL LAW TO
10 CREATE A BUSINESS IMPROVEMENT DISTRICT IN ACCORDANCE WITH THIS
11 SUBTITLE.

12 ~~(B) A RESOLUTION ADOPTED UNDER SUBSECTION (A), (F), OR (G) OF~~
13 ~~THIS SECTION:~~

14 ~~(1) IS ADMINISTRATIVE IN NATURE;~~

15 ~~(2) IS NOT SUBJECT TO REFERENDUM; AND~~

16 ~~(3) IN A COUNTY OR MUNICIPAL CORPORATION THAT HAS A~~
17 ~~PUBLICLY ELECTED CHIEF EXECUTIVE, IS SUBJECT TO APPROVAL BY THE CHIEF~~
18 ~~EXECUTIVE.~~

19 ~~(C)~~ (B) SUBSECTION (A) OF THIS SECTION IS SELF-EXECUTING AND
20 FULLY AUTHORIZES A COUNTY OR MUNICIPAL CORPORATION TO ESTABLISH ~~AN~~
21 A DISTRICT, NOTWITHSTANDING ANY OTHER STATUTORY OR
22 CHARTER PROVISION.

23 ~~(D)~~ (C) A ~~RESOLUTION~~ LOCAL LAW ADOPTED UNDER SUBSECTION (A)
24 OF THIS SECTION SHALL INCLUDE ~~PROPOSED ARTICLES OF INCORPORATION OF~~
25 ~~THE BUSINESS IMPROVEMENT DISTRICT CORPORATION THAT STATE:~~

26 (1) THE NAME OF THE DISTRICT CORPORATION;

27 (2) THAT THE DISTRICT CORPORATION IS FORMED UNDER THIS
28 SUBTITLE;

29 (3) THE NAMES, ADDRESSES, AND TERMS OF OFFICE OF THE
30 INITIAL MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT
31 CORPORATION;

32 (4) THE ADDRESS OF THE PRINCIPAL OFFICE OF THE DISTRICT
33 CORPORATION;

1 (5) THE PURPOSES FOR WHICH THE DISTRICT IS FORMED; ~~AND~~

2 (6) THE POWERS OF THE DISTRICT, SUBJECT TO THE
3 LIMITATIONS ON THE POWERS OF DISTRICTS UNDER THIS SUBTITLE; AND

4 (7) IF APPLICABLE, ARTICLES OF INCORPORATION OF THE
5 DISTRICT CORPORATION.

6 ~~(E) (1) THE CHIEF EXECUTIVE OF THE INCORPORATING COUNTY OR~~
7 ~~MUNICIPAL CORPORATION, OR ANY OTHER OFFICIAL DESIGNATED IN THE~~
8 ~~RESOLUTION ESTABLISHING THE DISTRICT, SHALL EXECUTE AND FILE THE~~
9 ~~ARTICLES OF INCORPORATION OF THE DISTRICT CORPORATION FOR RECORD~~
10 ~~WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.~~

11 ~~(2) WHEN THE STATE DEPARTMENT OF ASSESSMENTS AND~~
12 ~~TAXATION ACCEPTS THE ARTICLES OF INCORPORATION FOR RECORD, THE~~
13 ~~DISTRICT CORPORATION BECOMES A BODY POLITIC AND CORPORATE AND AN~~
14 ~~INSTRUMENTALITY OF THE INCORPORATING COUNTY OR MUNICIPAL~~
15 ~~CORPORATION.~~

16 ~~(3) ACCEPTANCE OF THE ARTICLES OF INCORPORATION FOR~~
17 ~~RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION IS~~
18 ~~CONCLUSIVE EVIDENCE OF THE FORMATION OF THE DISTRICT CORPORATION.~~

19 ~~(F) (1) BY RESOLUTION, THE LEGISLATIVE BODY OF THE~~
20 ~~INCORPORATING COUNTY OR MUNICIPAL CORPORATION MAY ADOPT AN~~
21 ~~AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE DISTRICT~~
22 ~~CORPORATION.~~

23 ~~(2) ARTICLES OF AMENDMENT MAY CONTAIN ANY PROVISION~~
24 ~~THAT LAWFULLY COULD BE CONTAINED IN ARTICLES OF INCORPORATION AT~~
25 ~~THE TIME OF THE AMENDMENT.~~

26 ~~(3) THE ARTICLES OF AMENDMENT SHALL BE FILED FOR RECORD~~
27 ~~WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION.~~

28 ~~(4) THE ARTICLES OF AMENDMENT ARE EFFECTIVE AS OF THE~~
29 ~~TIME THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION ACCEPTS THE~~
30 ~~ARTICLES FOR RECORD.~~

31 ~~(5) ACCEPTANCE OF THE ARTICLES OF AMENDMENT FOR~~
32 ~~RECORD BY THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION IS~~
33 ~~CONCLUSIVE EVIDENCE THAT THE ARTICLES HAVE BEEN LAWFULLY AND~~
34 ~~PROPERLY ADOPTED.~~

1 ~~(G) (1) SUBJECT TO THIS SECTION AND ANY LIMITATIONS IMPOSED~~
 2 ~~BY LAW ON THE IMPAIRMENT OF CONTRACTS, THE INCORPORATING COUNTY OR~~
 3 ~~MUNICIPAL CORPORATION, IN ITS SOLE DISCRETION AND BY RESOLUTION, MAY:~~

4 ~~(I) SET OR CHANGE THE STRUCTURE, ORGANIZATION,~~
 5 ~~PROCEDURES, PROGRAMS, OR ACTIVITIES OF THE DISTRICT; OR~~

6 ~~(II) TERMINATE THE DISTRICT.~~

7 ~~(2) ON TERMINATION OF A DISTRICT:~~

8 ~~(I) TITLE TO ALL PROPERTY OF THE DISTRICT SHALL BE~~
 9 ~~TRANSFERRED TO AND VEST IN THE INCORPORATING COUNTY OR MUNICIPAL~~
 10 ~~CORPORATION; AND~~

11 ~~(II) ALL OBLIGATIONS OF THE DISTRICT CORPORATION~~
 12 ~~SHALL BE TRANSFERRED TO AND ASSUMED BY THE INCORPORATING COUNTY~~
 13 ~~OR MUNICIPAL CORPORATION.~~

14 12-404.

15 (A) A BOARD OF DIRECTORS SHALL GOVERN THE DISTRICT
 16 CORPORATION.

17 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE
 18 BOARD OF A DISTRICT CORPORATION CONSISTS OF FIVE MEMBERS APPOINTED
 19 BY THE MEMBERS OF THE DISTRICT.

20 (2) APPOINTMENT PROCEDURES SHALL BE PROVIDED IN THE
 21 ~~RESOLUTION~~ LOCAL LAW ESTABLISHING THE DISTRICT.

22 ~~(C) (1) A MEMBER MAY BE REMOVED AT ANY TIME WITH OR WITHOUT~~
 23 ~~CAUSE.~~

24 ~~(2) PROCEDURES FOR REMOVAL SHALL BE THOSE PROVIDED IN~~
 25 ~~THE RESOLUTION ESTABLISHING THE DISTRICT OR A SUBSEQUENT~~
 26 ~~RESOLUTION.~~

27 ~~(D) (C)~~ FROM AMONG ITS MEMBERS, THE BOARD SHALL ELECT A CHAIR
 28 AND OTHER OFFICERS.

29 ~~(E) (D)~~ (1) THREE VOTING MEMBERS OF THE BOARD ARE A QUORUM.

1 (2) THE BOARD MAY ACT ON A RESOLUTION ONLY BY THE
2 AFFIRMATIVE VOTE OF AT LEAST THREE VOTING MEMBERS.

3 ~~(F)~~ (E) A MEMBER OF THE BOARD:

4 (1) MAY NOT RECEIVE COMPENSATION AS A MEMBER OF THE
5 BOARD; BUT

6 (2) SHALL BE REIMBURSED FOR EXPENSES INCURRED IN
7 PERFORMING THE MEMBER'S DUTIES.

8 ~~(G)~~ (F) THE BOARD SHALL EXERCISE ITS POWERS BY RESOLUTION.

9 ~~(H)~~ (G) THE BOARD SHALL FILE AN ANNUAL REPORT WITH THE
10 GOVERNING BODY OF THE COUNTY OR MUNICIPAL CORPORATION THAT
11 INCLUDES:

12 (1) A FINANCIAL STATEMENT FOR THE PRECEDING YEAR;

13 (2) A PROPOSED OPERATING BUDGET FOR THE CURRENT FISCAL
14 YEAR; ~~AND~~

15 (3) ANY PROPOSED REVISIONS TO THE BUSINESS PLAN; AND

16 (4) A NARRATIVE STATEMENT OR CHART SHOWING THE RESULTS
17 OF OPERATIONS IN COMPARISON TO STATED GOALS AND OBJECTIVES.

18 ~~12-405.~~

19 ~~EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE OR THE~~
20 ~~RESOLUTION ESTABLISHING THE DISTRICT, THE PROCEDURES OF THE~~
21 ~~INCORPORATING COUNTY OR MUNICIPAL CORPORATION CONTROL ANY MATTER~~
22 ~~RELATING TO THE INTERNAL ADMINISTRATION OF THE DISTRICT~~
23 ~~CORPORATION.~~

24 ~~12-406.~~ 12-405.

25 ~~EXCEPT AS NECESSARY TO PAY DEBT SERVICE OR IMPLEMENT THE~~
26 ~~PUBLIC PURPOSES OR PROGRAMS OF THE INCORPORATING COUNTY OR~~
27 ~~MUNICIPAL CORPORATION, THE~~ THE NET EARNINGS OF A DISTRICT
28 CORPORATION MAY BENEFIT ONLY THE DISTRICT CORPORATION.

29 ~~12-407.~~ 12-406.

1 (A) (1) EXCEPT AS LIMITED BY ITS ARTICLES OF INCORPORATION, A
2 DISTRICT CORPORATION HAS ALL THE POWERS SET FORTH IN THIS SUBTITLE.

3 (2) A DISTRICT CORPORATION MAY:

4 (I) RECEIVE MONEY FROM ITS INCORPORATING COUNTY OR
5 MUNICIPAL CORPORATION, THE STATE, OTHER GOVERNMENTAL UNITS, OR NOT
6 FOR PROFIT ORGANIZATIONS;

7 (II) ~~ISSUE BONDS AND OTHER EVIDENCE OF INDEBTEDNESS;~~

8 ~~(III)~~ CHARGE FEES FOR ITS SERVICES;

9 ~~(IV)~~ (III) HAVE EMPLOYEES AND CONSULTANTS AS IT
10 CONSIDERS NECESSARY; AND

11 ~~(V)~~ (IV) USE THE SERVICES OF OTHER GOVERNMENTAL
12 UNITS.

13 (B) ~~FOR THE PURPOSES OF THIS SUBTITLE, EACH COUNTY AND~~
14 ~~MUNICIPAL CORPORATION HAS ALL THE POWERS GRANTED IN THIS SUBTITLE~~
15 ~~TO A DISTRICT, INCLUDING THE POWER TO MAKE LOANS TO PRIVATE~~
16 ~~ENTERPRISES COMPETING WITH ENTERPRISES NOT RECEIVING THE LOANS.~~

17 ~~(C)~~ (1) ~~(I)~~ A DISTRICT CORPORATION SHALL OPERATE AND
18 EXERCISE ITS POWERS SOLELY TO ACCOMPLISH ONE OR MORE OF THE
19 LEGISLATIVE PURPOSES OF THIS SUBTITLE.

20 ~~(II)~~ ~~THE INCORPORATING COUNTY OR MUNICIPAL~~
21 ~~CORPORATION MAY USE THE DISTRICT CORPORATION'S EXERCISE OF ITS~~
22 ~~POWERS TO ACCOMPLISH ONE OR MORE OF THE LEGISLATIVE PURPOSES OF~~
23 ~~THIS SUBTITLE.~~

24 ~~(2)~~ ~~A DISTRICT CORPORATION OR AN INCORPORATING COUNTY~~
25 ~~OR MUNICIPAL CORPORATION MAY EXERCISE ITS POWERS REGARDLESS OF ANY~~
26 ~~EFFECT ON ECONOMIC COMPETITION.~~

27 ~~(3)~~ ~~THE POWERS GRANTED TO A COUNTY OR MUNICIPAL~~
28 ~~CORPORATION UNDER PARAGRAPH (2) OF THIS SUBSECTION DO NOT:~~

29 ~~(I)~~ ~~GRANT TO THE COUNTY OR MUNICIPAL CORPORATION~~
30 ~~POWERS IN ANY SUBSTANTIVE AREA NOT OTHERWISE GRANTED TO THE COUNTY~~
31 ~~OR MUNICIPAL CORPORATION UNDER OTHER PUBLIC GENERAL OR PUBLIC~~
32 ~~LOCAL LAW;~~

1 ~~(II) RESTRICT THE COUNTY OR MUNICIPAL CORPORATION~~
 2 ~~FROM EXERCISING ANY POWER GRANTED TO THE COUNTY OR MUNICIPAL~~
 3 ~~CORPORATION UNDER OTHER PUBLIC GENERAL OR PUBLIC LOCAL LAW OR~~
 4 ~~OTHERWISE;~~

5 ~~(III) AUTHORIZE THE COUNTY OR MUNICIPAL CORPORATION,~~
 6 ~~OR THE OFFICERS OF THE COUNTY OR MUNICIPAL CORPORATION, TO ENGAGE~~
 7 ~~IN AN ACTIVITY THAT IS BEYOND THE POWER GRANTED UNDER OTHER PUBLIC~~
 8 ~~GENERAL OR PUBLIC LOCAL LAW OR OTHERWISE; OR~~

9 ~~(IV) PREEMPT OR SUPERSEDE THE REGULATORY~~
 10 ~~AUTHORITY OF A UNIT OF STATE GOVERNMENT UNDER A PUBLIC GENERAL LAW.~~

11 ~~(4) THE INCORPORATING COUNTY OR MUNICIPAL CORPORATION~~
 12 ~~IS NOT PRECLUDED FROM DIRECTLY EXERCISING THE POWERS GRANTED TO A~~
 13 ~~DISTRICT CORPORATION UNDER THIS SUBTITLE AFTER THE ESTABLISHMENT OF~~
 14 ~~THE BUSINESS IMPROVEMENT DISTRICT.~~

15 ~~12-408. 12-407.~~

16 (A) ~~THE PROPOSER OF~~ OWNERS OF NONEXEMPT PROPERTY WHO SEEK
 17 TO ESTABLISH A DISTRICT CORPORATION SHALL SUBMIT AN APPLICATION TO
 18 FORM A DISTRICT APPROPRIATE DOCUMENTATION AS DESCRIBED IN
 19 SUBSECTION (B) OF THIS SECTION TO:

20 (1) THE GOVERNING BODY OF THE COUNTY IN WHICH THE
 21 PROPOSED DISTRICT IS LOCATED; AND

22 (2) IF THE PROPOSED DISTRICT IS LOCATED WITHIN A MUNICIPAL
 23 CORPORATION, THE GOVERNING BODY OF THE MUNICIPAL CORPORATION.

24 (B) ~~THE APPLICATION~~ APPROPRIATE DOCUMENTATION REQUIRED
 25 UNDER SUBSECTION (A) OF THIS SECTION SHALL CONTAIN:

26 (1) A STATEMENT SETTING FORTH:

27 (I) THE PROPOSED NAME AND ADDRESS OF THE DISTRICT
 28 CORPORATION; AND

29 (II) THE STREET ADDRESS OF EACH OWNER OF NONEXEMPT
 30 PROPERTY WITHIN THE PROPOSED DISTRICT;

31 (2) A STATEMENT EXPRESSING THE INTENT TO ESTABLISH A
 32 DISTRICT CORPORATION THAT IS SIGNED BY AT LEAST 80% OF THE OWNERS OF
 33 AT LEAST 51% INTEREST IN THE ASSESSED VALUE OF THE NONEXEMPT

1 ~~PROPERTY AND AT LEAST 25% IN NUMBER OF INDIVIDUAL PROPERTIES OF~~
2 ~~RECORD THE TOTAL NUMBER OF PARCELS OF NONEXEMPT PROPERTY IN THE~~
3 GEOGRAPHIC AREA OF THE PROPOSED DISTRICT;

4 (3) A PROPOSED 3-YEAR BUSINESS PLAN THAT CONTAINS:

5 (I) THE GOALS AND OBJECTIVES OF THE PROPOSED
6 DISTRICT;

7 (II) THE ANNUAL PROPOSED BUSINESS IMPROVEMENT
8 DISTRICT TAX FOR THE PROPOSED DISTRICT'S COMMON OPERATIONS AND THE
9 FORMULA USED TO DETERMINE EACH MEMBER'S DISTRICT TAX; AND

10 (III) THE MAXIMUM AMOUNT AND THE NATURE OF START-UP
11 COSTS INCURRED BEFORE THE DISTRICT'S ESTABLISHMENT;

12 (4) A TAX ASSESSOR'S MAP OF THE GEOGRAPHIC AREA OF THE
13 PROPOSED DISTRICT;

14 (5) A LIST OF THE PROPOSED INITIAL BOARD OF THE PROPOSED
15 DISTRICT CORPORATION;

16 (6) THE PROPOSED ARTICLES OF INCORPORATION AND THE
17 BYLAWS OF THE DISTRICT CORPORATION;

18 (7) FOR ALL NONEXEMPT PROPERTY WITHIN THE PROPOSED
19 DISTRICT:

20 (I) THE NAME AND MAILING ADDRESS OF EACH OWNER;
21 AND

22 (II) THE MOST RECENT ASSESSED VALUE; AND

23 (8) A LIST OF THE NAMES AND ADDRESSES OF ALL COMMERCIAL
24 TENANTS WITHIN THE GEOGRAPHIC AREA OF THE PROPOSED DISTRICT.

25 (C) ~~THE~~ WITHIN 45 DAYS AFTER RECEIVING ALL APPROPRIATE
26 DOCUMENTATION UNDER SUBSECTION (B) OF THIS SECTION, THE GOVERNING
27 BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL SCHEDULE A PUBLIC
28 HEARING ON THE APPLICATION.

29 ~~12-409, 12-408.~~

30 (A) AT LEAST 21 DAYS BEFORE THE PUBLIC HEARING, THE GOVERNING
31 BODY OF A COUNTY OR MUNICIPAL CORPORATION SHALL PUBLISH NOTICE OF

1 THE PUBLIC HEARING IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE
2 GEOGRAPHIC AREA OF THE PROPOSED DISTRICT.

3 (B) AT LEAST 21 DAYS BEFORE THE PUBLIC HEARING, THE ~~PROPOSER~~
4 ~~OF THE PROPOSED DISTRICT CORPORATION~~ OWNERS OF NONEXEMPT
5 PROPERTY WHO SEEK TO ESTABLISH A DISTRICT SHALL SEND NOTICE OF THE
6 PUBLIC HEARING AND A SUMMARY OF THE APPLICATION TO:

7 (1) EACH OWNER OF NONEXEMPT PROPERTY WITHIN THE
8 PROPOSED DISTRICT; AND

9 (2) EACH COMMERCIAL TENANT WITHIN THE PROPOSED
10 DISTRICT.

11 (C) BEFORE THE PUBLIC HEARING, THE APPLICATION SHALL BE MADE
12 AVAILABLE FOR REVIEW DURING NORMAL BUSINESS HOURS IN AT LEAST ONE
13 LOCATION IN THE PROPOSED DISTRICT.

14 (D) WITHIN 10 DAYS AFTER THE PUBLIC HEARING, IF THE GOVERNING
15 BODY OF THE COUNTY OR MUNICIPAL CORPORATION DETERMINES THAT THE
16 ~~DISTRICT MEETS~~ NEEDS OF THE DISTRICT MEET THE PURPOSES OF THIS
17 SUBTITLE, THE GOVERNING BODY SHALL AUTHORIZE THE DISTRICT IN
18 ACCORDANCE WITH § 12-403 OF THIS SUBTITLE.

19 ~~12-410.~~ 12-409.

20 (A) WITHIN 10 DAYS AFTER THE AUTHORIZATION BY THE GOVERNING
21 BODY OF THE COUNTY OR MUNICIPAL CORPORATION OF THE DISTRICT, THE
22 DISTRICT CORPORATION SHALL PROVIDE THE GOVERNING BODY OF ~~A~~ THE
23 COUNTY OR MUNICIPAL CORPORATION WITH A PRELIMINARY BUSINESS
24 IMPROVEMENT DISTRICT TAX ROLL.

25 (B) (1) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL
26 CORPORATION SHALL IMPOSE A BUSINESS IMPROVEMENT DISTRICT TAX TO
27 PROVIDE FUNDS FOR THE OPERATION OF THE DISTRICT.

28 (2) THE GOVERNING BODY OF THE COUNTY OR MUNICIPAL
29 CORPORATION SHALL IMPOSE ON MEMBERS OF THE DISTRICT THE DISTRICT
30 TAX AT A RATE SUFFICIENT TO PROVIDE FOR THE OPERATION OF THE DISTRICT
31 SPECIFIED BY THE BOARD AND APPROVED BY THE GOVERNING BODY.

32 (3) THE TAX IMPOSED UNDER THIS SUBSECTION MAY NOT COUNT
33 AGAINST A COUNTY OR MUNICIPAL CORPORATION TAX CAP.

1 (C) THE DISTRICT TAX SHALL BE COLLECTED IN THE SAME MANNER AS
2 REAL PROPERTY TAXES ARE COLLECTED AND DISTRIBUTED EACH QUARTER TO
3 THE DISTRICT.

4 (D) A DISTRICT SHALL REIMBURSE THE GOVERNING BODY OF A COUNTY
5 OR MUNICIPAL CORPORATION FOR THE COSTS INCURRED IN COLLECTING THE
6 DISTRICT TAX.

7 ~~12-411.~~ 12-410.

8 (A) AN ESTABLISHED DISTRICT MAY EXPAND THE GEOGRAPHIC AREA
9 OF THE DISTRICT IF:

10 (1) ~~OWNERS OF AT LEAST 51% INTEREST IN THE ASSESSED VALUE~~
11 ~~OF THE NONEXEMPT PROPERTY AND AT LEAST 25% IN NUMBER OF INDIVIDUAL~~
12 ~~PROPERTIES OF RECORD IN A GEOGRAPHIC AREA PETITION THE EXISTING~~
13 ~~DISTRICT CORPORATION TO JOIN THE~~ A PETITION FOR INCLUSION IS
14 SUBMITTED FROM AT LEAST 80% OF THE OWNERS OF THE TOTAL NUMBER OF
15 PARCELS OF NONEXEMPT PROPERTY IN THE GEOGRAPHIC AREA PROPOSED FOR
16 INCLUSION IN THE DISTRICT;

17 (2) THE PETITION UNDER ITEM (1) OF THIS SUBSECTION IS
18 ACCEPTED BY A MAJORITY VOTE OF THE BOARD OF THE DISTRICT
19 CORPORATION; AND

20 (3) ~~THE PETITION UNDER ITEM (1) OF THIS SUBSECTION IS~~
21 ~~SUBMITTED TO AND APPROVED BY THE GOVERNING BODY OF THE~~
22 ~~INCORPORATING COUNTY OR MUNICIPAL CORPORATION~~ THE APPROPRIATE
23 DOCUMENTS, AS APPLICABLE, ARE SUBMITTED UNDER § 12-407 OF THIS
24 SUBTITLE AND A HEARING IS HELD UNDER § 12-408 OF THIS SUBTITLE.

25 (B) ~~AN EXPANSION OF A DISTRICT UNDER THIS SECTION IS EFFECTIVE~~
26 ~~ON THE APPROVAL OF THE GOVERNING BODY OF THE INCORPORATING COUNTY~~
27 ~~OR MUNICIPAL CORPORATION.~~

28 ~~12-412.~~ 12-411.

29 (A) THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION
30 IN WHICH A DISTRICT IS ESTABLISHED UNDER THIS SECTION SHALL:

31 (1) REVIEW THE EFFECTIVENESS AND DESIRABILITY OF
32 CONTINUING THE DISTRICT EVERY 3 YEARS FROM THE TIME THE DISTRICT IS
33 AUTHORIZED BY LOCAL LAW UNDER § 12-403 OF THIS SUBTITLE; AND

1 **(2) DEVELOP POLICIES AND PROCEDURES FOR EVALUATING THE**
2 **DESIRABILITY OF CONTINUING THE DISTRICT IF REQUESTED BY OWNERS OF**
3 **NONEXEMPT PROPERTY IN THE DISTRICT.**

4 **(B) IF THE CONTINUING EXISTENCE OF THE DISTRICT IS NOT**
5 **APPROVED BY THE GOVERNING BODY:**

6 **(1) THE DISTRICT SHALL CEASE TO EXIST AS DIRECTED BY THE**
7 **GOVERNING BODY; AND**

8 **(2) THE DISTRICT CORPORATION SHALL CONTINUE ITS**
9 **EXISTENCE ONLY AS LONG AS NECESSARY TO TERMINATE OPERATION IN A**
10 **REASONABLE MANNER.**

11 ~~**(A) NOTWITHSTANDING ANY LIMITATION OF LAW, A DISTRICT MAY**~~
12 ~~**ISSUE AND SELL BONDS PERIODICALLY TO ACCOMPLISH THE LEGISLATIVE**~~
13 ~~**PURPOSES OF THIS SUBTITLE.**~~

14 ~~**(B) (1) A DISTRICT MAY ISSUE AND SELL BONDS TO:**~~

15 ~~**(I) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION,**~~
16 ~~**FINANCE THE COSTS OF THE ACQUISITION OR IMPROVEMENT OF A FACILITY**~~
17 ~~**FOR A FACILITY USER, INCLUDING WORKING CAPITAL;**~~

18 ~~**(II) REFUND OUTSTANDING BONDS;**~~

19 ~~**(III) PAY THE COSTS OF PREPARING, PRINTING, SELLING,**~~
20 ~~**AND ISSUING THE BONDS;**~~

21 ~~**(IV) FUND RESERVES; AND**~~

22 ~~**(V) PAY THE INTEREST ON THE BONDS IN THE AMOUNT AND**~~
23 ~~**FOR THE PERIOD THE DISTRICT CORPORATION AND THE INCORPORATING**~~
24 ~~**COUNTY OR MUNICIPAL CORPORATION CONSIDER REASONABLE.**~~

25 ~~**(2) (I) A DISTRICT MAY NOT ISSUE BONDS TO ACQUIRE**~~
26 ~~**WORKING CAPITAL UNLESS THE BONDS ARE SECURED BY A LETTER OF CREDIT**~~
27 ~~**OR AN INTEREST IN PROPERTY.**~~

28 ~~**(II) WORKING CAPITAL ACQUIRED BY ISSUING BONDS MAY**~~
29 ~~**NOT EXCEED 25% OF THE PRINCIPAL AMOUNT OF THE BONDS.**~~

30 ~~**(C) (1) BONDS ARE LIMITED OBLIGATIONS AND ARE NOT A PLEDGE**~~
31 ~~**OF THE FAITH AND CREDIT OR TAXING POWER OF THE INCORPORATING COUNTY**~~
32 ~~**OR MUNICIPAL CORPORATION.**~~

1 ~~(2) BONDS ISSUED BY A DISTRICT ARE ISSUED ON BEHALF OF THE~~
2 ~~INCORPORATING COUNTY OR MUNICIPAL CORPORATION THAT ESTABLISHED~~
3 ~~THE DISTRICT.~~

4 ~~(D) (1) A BOND:~~

5 ~~(I) MAY BE IN BEARER FORM;~~

6 ~~(II) MAY BE REGISTRABLE AS TO PRINCIPAL ALONE OR AS~~
7 ~~TO BOTH PRINCIPAL AND INTEREST; AND~~

8 ~~(III) IS A SECURITY AS DEFINED UNDER § 8 102 OF THE~~
9 ~~COMMERCIAL LAW ARTICLE, WHETHER OR NOT THE BOND IS ONE OF A CLASS~~
10 ~~OR SERIES OR IS DIVISIBLE INTO A CLASS OR SERIES OF INSTRUMENTS.~~

11 ~~(2) (I) A BOND SHALL BE SIGNED BY AN OFFICER DESIGNATED~~
12 ~~IN THE RESOLUTION OF THE INCORPORATING COUNTY OR MUNICIPAL~~
13 ~~CORPORATION THAT ESTABLISHES THE DISTRICT.~~

14 ~~(II) A BOND MAY BE EXECUTED BY FACSIMILE SIGNATURE~~
15 ~~IN ACCORDANCE WITH § 2 303 OF THE STATE FINANCE AND PROCUREMENT~~
16 ~~ARTICLE.~~

17 ~~(III) AN OFFICER'S SIGNATURE OR COUNTERSIGNATURE ON~~
18 ~~A BOND OR COUPON REMAINS VALID EVEN IF THE OFFICER LEAVES OFFICE~~
19 ~~BEFORE THE BOND IS DELIVERED.~~

20 ~~(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS~~
21 ~~PARAGRAPH, A BOND SHALL MATURE NOT LATER THAN 30 YEARS AFTER THE~~
22 ~~DATE OF ISSUE.~~

23 ~~(II) IF A BOND IS SECURED BY A MORTGAGE INSURED BY A~~
24 ~~UNIT OF THE FEDERAL GOVERNMENT, THE BOND SHALL HAVE A TERM OF~~
25 ~~MATURITY THAT DOES NOT EXCEED THE TERM OF THE INSURANCE.~~

26 ~~(E) (1) A DISTRICT CORPORATION MAY ACQUIRE OR IMPROVE A~~
27 ~~FACILITY WITH BOND PROCEEDS:~~

28 ~~(I) BY LEASING THE FACILITY TO A FACILITY USER;~~

29 ~~(II) BY SELLING THE FACILITY TO A FACILITY USER UNDER~~
30 ~~AN INSTALLMENT SALE AGREEMENT;~~

1 ~~(III) BY LENDING BOND PROCEEDS TO A FACILITY USER TO~~
2 ~~BE USED TO FINANCE A FACILITY; OR~~

3 ~~(IV) IN ANY OTHER MANNER THAT THE DISTRICT~~
4 ~~CORPORATION OR THE INCORPORATING COUNTY OR MUNICIPAL CORPORATION~~
5 ~~CONSIDERS APPROPRIATE TO ACCOMPLISH THE LEGISLATIVE PURPOSES OF~~
6 ~~THIS SUBTITLE.~~

7 ~~(2) (I) THE LEASE OF A FACILITY UNDER THIS SUBTITLE MAY~~
8 ~~AUTHORIZE OR REQUIRE THE FACILITY USER TO ACQUIRE THE FACILITY ON~~
9 ~~PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS APPLICABLE TO~~
10 ~~THE FACILITY USER.~~

11 ~~(H) THE CONSIDERATION FOR THE ACQUISITION OF THE~~
12 ~~FACILITY MAY BE NOMINAL.~~

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2010.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.